

MINUTES OF THE PROCEEDINGS OF THE CITY OF COOS BAY BUDGET COMMITTEE

April 13, 2017

The minutes of the proceedings of a meeting of the City of Coos Bay Budget Committee held immediately following the City of Coos Bay Urban Renewal Agency Budget Committee meeting held at 6 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Committee Members attending were Joe Benetti, Curt Benward, Melissa Cribbins, Lucinda DiNovo, Drew Farmer, Harold (Ken) Folker, Jennifer Groth, Steve Horne, Stephanie Kilmer, Stephanie Kramer, Phil Marler, Roy Metzger, and Joe Monahan. Committee Member Donald Dille was absent. City staff present were City Manager Rodger Craddock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Finance Assistant Nicki Rutherford, Fire Chief Mark Anderson, Library Director Sami Pierson, and Public Works and Community Development Director Jim Hossley.

Election of Officers

Committee Member Benetti nominated Jennifer Groth as Chair. Committee Member Kramer seconded the motion which carried with Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Groth, Horne, Kilmer, Kramer, Marler, Metzger, and Monahan voting aye. Committee Member Dille was absent.

Committee Member Benetti nominated Curt Benward as Vice-Chair. Committee Member DiNovo seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, and Monahan voting aye. Committee Member Dille was absent.

Committee Member Benetti nominated Melissa Cribbins as Secretary. Committee Member DiNovo seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, and Monahan voting aye. Committee Member Dille was absent.

Public Comments

No public comments were made.

Presentation of the 2017-2018 Budget Message by Budget Officer Rodger Craddock

City Manager Rodger Craddock reviewed the budget message as attached and hereby made a part of the record. City Manager Craddock reported the fiscal year (FY) 2017-2018 proposed budget totaled \$75,831,449 which included \$27,613,714 in wastewater capital improvements and noted the budget was based on conservatively estimated revenues with expenditures based on actual experience and incremental increases and/or decreases as needed. Reserve funds were maintained at adequate funding levels in accordance to accepted accounting practices. City Manager Craddock provided a general overview of the budget funds and categories. Significant highlights of the proposed budget included personnel costs – salaries and benefits for the four different segments of the City's workforce: employees represented by

the American Federation of State, County and Municipal Employees (AFSCME), Coos Bay Police Officer's Association (CBPOA), International Association of Firefighters (IAFF), and non-represented (management) employees. Projected personnel costs included salary increases of a 0% cost of living adjustment (COLA) for IAFF and a 1.9% for AFSCME, non-represented (management) employees, and CBPOA. Personnel expenses comprised 16% of the total City operating budget, with salaries comprising 62% and benefits comprising 38% of personnel expenses. The FY 2017-2018 proposed budget reflected a 9% medical, 5% vision, and 2% dental increase in employee insurance cost over the FY 2016-2017 budget and the new biennium PERS rates resulted in an additional PERS cost of \$191,915 over the prior year budget.

Operationally, department heads submitted a budget reflecting a status quo budget from the previous year with small increases to account for inflation or the need to replace critical items; estimated General Fund carryover for FY 2017-2018 was \$3,000,000; reserved to maintain the General Fund over a four-month period in which no substantial revenues were received. City Manager Craddock noted in recent years the General Fund expenditures were more than revenue resulting in the declining carryover balance. Property tax revenue was not sufficient to meet operational expenses or contribute to rebuilding the carryover to the level required to meet the first quarter operational needs. Cost saving efforts by staff included: limiting discretionary spending on materials and service, restricting capital expenditures, not filling several vacant positions, reducing personnel costs by reorganizing and eliminating positions, and various efforts to increase revenue included selling surplus equipment and increasing existing fees.

City Manager Craddock stated maintaining the City's street infrastructure was an ongoing concern. Current estimates to bring city streets up to a "good" condition was at least \$20,000,000 based upon a 2015 pavement assessment. The Wastewater Fund proposed budget reflected a 6.4% rate increase to meet the demands for improvements. The City's wastewater capital improvement plan (CIP) estimated state mandated improvements over a 20-year planning period at a cost of \$81.4 million (current value). The City was in year 7 of the 20-year plan and the proposed budget included \$22,155,963 in loan and grant proceeds. City Manager Craddock recommended the budget committee appropriate 2.5% (\$586,728) of the General Fund beginning balance for FY 2017-2018 to the Rainy Day Reserve Fund.

Review of the Proposed Budget for Fiscal Year 2017-2018

General Fund

The Budget Committee reviewed summary pages and the City of Coos Bay General Fund (01) by Department as follows:

Summary Pages

The Budget Committee reviewed the summary pages, no changes were made.

City Council

The Budget Committee reviewed the City Council Department (100), no changes were made.

City Manager

The Budget Committee reviewed the City Manager Department (120), no changes were made.

Urban Renewal Administration

The Budget Committee reviewed the Urban Renewal Administration Department (121), no changes were made.

Finance

The Budget Committee reviewed the Finance Department (130), no changes were made.

City Attorney

The Budget Committee reviewed the City Attorney Department (140), no changes were made.

Committee Member DiNovo exited the meeting at 7:39 p.m. and re-entered at 7:41 p.m.

City Hall

The Budget Committee reviewed the City Hall Department (170), no changes were made.

Community Contributions

City Manager Craddock stated the T.H.E House did not make an application due to change in management but staff proposed a \$2,000 contribution; homelessness was a huge issue for the community and services offered by T.H.E House assisted the City and law enforcement. Chair Kramer disclosed she served on the Alternative Youth Activities Board. Committee Member Farmer disclosed he worked for the Mental Health Association of Southwestern Oregon. Committee Member Cribbins disclosed she served as Chair for the Coos County Area Transit (CCAT) Board. Committee Member DiNovo recommended the City require grantees to report on how they spent their community contribution. Committee Member Marler inquired as to the impact to the budget if the City were to fully fund the \$30,736 grant requests. City Manager Craddock stated carryover would be reduced by \$5,736.

Committee Member Kilmer exited the meeting at 7:50 p.m. and re-entered at 7:54 p.m.

The Budget Committee accepted the Community Contributions Department (180), page 18, as proposed by staff which consisted of \$1,000 to Alternative Youth Activities; \$2,000 to Bay Area Hospital Kids' HOPE Center; \$10,000 to the Boys and Girls Club; \$2,000 to T.H.E House; \$3,000 to Coos County Area Transit; \$1,000 to Oregon Children's Foundation (SMART); \$2,000 to the Bob Belloni Ranch; \$1,500 to Mental Health of Southwestern Oregon (Shama House), and; \$2,500 to Southwestern Oregon Veterans Outreach (SOVO).

Non-Departmental

The Budget Committee reviewed Non-Departmental Department (190), no changes were made.

Committee Member Monahan exited the meeting at 7:57 p.m. and re-entered at 7:59 p.m.

Other Financing Uses

The Budget Committee reviewed Other Financing Uses (195), no changes were made.

Committee Member Metzger exited the meeting at 7:59 p.m. and re-entered at 8:01 p.m.

Police Department

The Budget Committee reviewed Police Division (240), Police Communications Division (242), and Codes Enforcement Department (243), no changes were made.

Fire Department

The Budget Committee reviewed the Fire Department (261), no changes were made.

Community Development Department

The Budget Committee reviewed the Community Development Department (301) and DLCD/Coastal Implementation Grant Department (302), no changes were made.

Committee Member Kramer exited the meeting at 8:25 p.m. and re-entered at 8:27 p.m.

Public Works Department

The Budget Committee reviewed the Public Works Departments (305), (306), and (313) no changes were made.

State Gas Tax Fund

The Budget Committee reviewed the State Gas Tax Fund 2 Maintenance Department (320), no changes were made.

Wastewater Fund

The Budget Committee reviewed the Wastewater Fund 3, Departments (350), (351), (352), (353), and (355), no changes were made.

Committee Member Benetti exited the meeting at 8:37 p.m. and re-entered at 8:40 p.m.

Hotel/Motel Tax Fund

The Budget Committee reviewed the Hotel/Motel Tax Fund 5, no changes were made.

Committee Member Farmer exited the meeting at 8:53 p.m. and returned at 8:56 p.m.

Committee Member Benetti stated next year he would like to see a ½ or 1% increase in the allocation transfer to the Visitor Convention Bureau.

Library

The Library budget was funded by the Library Service Taxing District and was reviewed by the Coos Bay Library Board and the Coos County Board of Commissioners. The Budget Committee reviewed the Library Fund 7, no changes were made.

Library ESO Fund

The Coos County Library Service District - Extended Service Office (CCLSD - ESO) budget was funded by the Library Service Taxing District and was reviewed by the Coos County Board of Commissioners. The Budget Committee reviewed the CCLSD - ESO Fund 14, no changes were made.

Building Codes Fund

The Budget Committee reviewed the Building Codes Fund 8, no changes were made.

9-1-1 Tax Fund

The Budget Committee reviewed the 9-1-1 Tax Fund 10, no changes were made.

Debt Service Budgets

The Budget Committee reviewed the General Obligation Bond Fund 11, and the Revenue Bond Fund 12, no changes were made.

Capital Improvements Budgets

The Budget Committee reviewed Special Improvement (LID) Fund 15, Street Improvement Fund 16, Parks Improvement Fund 17, Bike/Pedestrian Path Fund 18, Transportation SDC Fund 19, Wastewater SDC Fund 20, and Stormwater SDC Fund 21, no changes were made.

Committee Member Horne exited the meeting at 9:29 p.m. and re-entered at 9:31 p.m.

Reserve Budgets

The Budget Committee reviewed the Fire Station Reserve Fund 27, no changes were made.

The Budget Committee reviewed the Wastewater Improvement Fund 29, no changes were made.

Committee Member Kramer exited the meeting at 9:39 p.m. and re-entered at 9:41 p.m.

The Budget Committee reviewed the Major Capital Reserve Fund 34; Jurisdictional Exchange Streets Reserve Fund 39; Technology Reserve Fund 40; County-wide CAD Core Reserve Fund 41; and the Rainy Day Reserve Fund 42, no changes were made.

Committee Member Cribbins exited the meeting at 9:43 p.m. and re-entered at 9:45 p.m.

Approval of Permanent Tax Rate

Committee Member DiNovo moved to approve imposing the City's maximum permanent tax rate of \$6.3643 per \$1,000 taxable assessed value for fiscal year 2017-2018. Committee Member Kilmer seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, and Monahan voting aye. Committee Member Dille was absent.

Approval to Impose General Obligation Bonded Debt

Committee Member Kramer moved to approve imposing the general obligation bonded debt amount of \$470,000. Committee Member Marler seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, and Monahan voting aye. Committee Member Dille was absent.

Public Hearing – Citizen Input on the Use of State Revenue Sharing Funds

A public hearing notice was published April 8, 2017 in The World newspaper and provided an opportunity for public comments during the April 13, 2017 Budget Committee Meeting. Chair Groth opened the public hearing and invited citizen input on the use of State Shared Revenue funds. No public comments were given and the hearing was closed.

Approval of the Fiscal Year 2017-2018 Budget

Committee Member Marler moved to approve the Fiscal Year 2017-2018 City of Coos Bay budget, amended to include a du jour financing increase respective of the special option levy approved in the Urban Renewal Agency budget, and forward to the Coos Bay City Council for adoption at the June 6, 2017 City Council meeting. Committee Member Monahan seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, and Monahan voting aye. Committee Member Dille was absent.

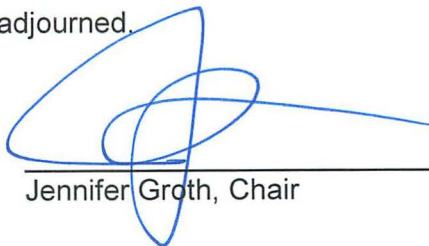
Adjourn

There being no further business the meeting was adjourned.

Attest:



Melissa Cribbins, Secretary



Jennifer Groth, Chair